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ABSTRACT

This speech reviews the literature on school closings in the context of declining economic support. Declining school enrollment, coupled with declining funds (fiscal retrenchment), makes school district reform necessary. A school district in Seattle, Washington took approximately a decade to resolve these problems. A district planning commission's recommendations finally made school closing successful and politically acceptable. This speech commends Boyd and Wheaton's "rational model" for dealing with these problems. It has four ingredients: (1) design the best solution which is politically viable; (2) secure community and staff understanding and consent; (3) maintain legitimacy of the educational leaders' policymaking process; and (4) move rapidly toward closure on retrenchment decisions. It also commends Berger's two-by-two matrices to help school personnel deal more systematically and successfully with managing school decline. The "Substantive Issue Matrix" contains equity and efficiency as consequences on one axis, and revenue generating and cost cutting as types of policies on the other axis. The "Process Issues Matrix" contains equity and efficiency as consequences on one axis and technical and political as policies on the second axis. Berger performed a post facto analysis on case studies from 70 school districts involved in retrenchment. His findings show that decisions and actions which optimize efficiency produce more positive long-term organizational consequences. Behm suggests that dealing positively with retrenchment requires leaders to take aggressive action. Boyd and Wheaton found that different processes should be used with "white collar" and "blue collar" communities. (KS)

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# WHAT WE KNOW ABOUT ADMINISTERING ENROLLMENT DECLINE AND FISCAL RETRENCHMENT IN SCHOOLING

by

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Phi Delta Kappa Chapter Meeting
Charleston, West Virginia
October 13, 1983

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## WHAT WE KNOW ABOUT ADMINISTERING ENROLLMENT DECLINE AND FISCAL RETRENCHMENT IN SCHOOLING

IT SEEMS THAT A GREAT AND GENERAL MALAISE HAS FALLEN OVER AMERICA'S EDUCATION ENTERPRISE IN RECENT YEARS. ALMOST EVERYTHING WE READ OR HEAR SPEAKS ABOUT EDUCATION IN TERMS OF DECLINE. TEACHER'S SALARIES HAVE DECLINED WHEN COMPARED WITH SALARIES OF OTHER PROFESSIONALS. THE NUMBER OF STUDENTS HAS DECLINED IN MOST SCHOOL DISTRICTS. STUDENT PERFORMANCE HAS DECLINED. THE PERCENTAGE OF PEOPLE WHO HAVE SCHOOL-AGE CHILDREN HAS DECLINED. THE PERCENTAGE OF CHILDREN ATTENDING PUBLIC SCHOOLS HAS DECLINED. THE TAX BASE IN MOST STATES HAS DECLINED. THE CONFIDENCE OF AMERICANS IN THEIR SCHOOLS HAS DECLINED. IN FACT, AS WE LOOK AT ALMOST ANY VARIABLE GENERALLY CONSIDERED IMPORTANT TO EDUCATION, WE SEE INDICATIONS OF DECLINE. SO IT SEEMS REASONABLE TO ASSERT THAT AMERICAN EDUCATION IS SUFFERING THROUGH A PERIOD OF UNPRECEDENTED HARD TIMES.

### PUBLIC REACTION TO DECLINE IN EDUCATION

AS MIGHT BE EXPECTED, THE DECLINES IN KEY EDUCATIONAL INDICATORS HAVE NOT GONE UNNOTICED BY THE TAXPAYING PUBLIC. WHILE EDUCATORS HAVE ALWAYS BEEN EASY TARGETS FOR CRITICS, THE FACTS OF DECLINE IN EDUCATION HAVE PRECIPITATED A GREATER AND GREATER PUBLIC OUTCRY. THIS CHORUS OF DISSATISFACTION HAS BEEN INCREASING UNTIL IN 1983, IT HAS REACHED CRESCENDO. WHEN HISTORIANS CHRONICLE THE EVENTS OF 1983, IT SEEMS HARD TO BELIEVE THAT THIS WILL NOT BE "TAGGED" THE YEAR OF THE EDUCATIONAL REFORMER.

MANY OF THE QUESTIONS BEING RAISED SEEM LEGITIMATE ENOUGH. THE PUBLIC ASKS, FOR EXAMPLE, IF SCHOOL ENROLLMENT HAS DECREASED, THEN WHY IS THE COST OF RUNNING SCHOOLS INCREASING? AND A RELATED ISSUE--IF COSTS ARE INCREASING AND THERE ARE LESS KIDS TO TEACH, WHY ARE THE STUDENTS LEARNING LESS?

OF COURSE, WE EDUCATORS KNOW THAT THE ISSUES ARE NOT THAT SIMPLE. WE WISH THAT THE PUBLIC WOULD UNDERSTAND OUR EXPLANATIONS OF THE COMPLEXITIES WHICH THESE SWEEPING GENERALIZATIONS OVERLOOK AND OBSCURE. REALISTICALLY, THOUGH, WE KNOW THAT OUR PROTESTATIONS WILL NOT BE HEARD. WE KNOW, IN OUR HEARTS, THAT THOSE WHO FOOT THE BILL FOR EDUCATION WILL HAVE THEIR WAY. EITHER WE EDUCATORS WILL FIND WAYS TO REFORM SCHOOLS SO THAT KIDS LEARN MORE AT A LOWER COST, OR THE CRUCIAL DECISIONS ABOUT REFORMING EDUCATION WILL BE MADE BY THE BODY POLITIC THROUGH THE BALLOT BOX. THIS, THEN, IS THE CONTEXT OF EDUCATION 1983 IN WHICH WE ARE TO EXPLORE ADMINISTERING SCHOOLS THROUGH THE ROCKY SHOALS OF DECLINING ENROLLMENT AND FISCAL RETRENCHMENT.

## Defining and Describing the Problem

Let's begin our analysis of "what we know..." by seeing what we mean by the key terms "declining enrollment" and "fiscal retrenchment." First, by declining enrollment, we mean that the number of students attending schools is decreasing over time. Second, by fiscal retrenchment, we mean that the dollars available to support schools are decreasing.

Okay, now that we have a shared understanding of the key terms declining enrollment and fiscal retrenchment, let's ask two questions:

(1) "Are the enrollments and the revenues of schools actually decreasing?"

(2) "If they are, is the magnitude of the decrease sufficient that it is worth getting excited about?"

In a word, the answers to both questions is an emphatic "Yes!"

To support this affirmative answer, let me share some data with you.

For elementary/secondary education in the U. S. as a whole:

- Pupil enrollment reached its all-time high in 1971-72 at 46,081,000 students.
- By 1978-80--only 8 years later--pupil enrollment had decreased to 41,579,000--a reduction of 4,507,000 or 9.8%.
- Pupil enrollment is still declining and many project the decline to continue for most of the decade.

- OF COURSE, THE DECREASE IN ENROLLMENT IS NOT THE SAME EVERYWHERE. IN THE SAME 8-YEAR PERIOD CITED (1971-79), NEVADA'S ENROLLMENTS INCREASED BY 13.5%, WHILE DELEWARE'S DECREASED BY 22.9%. IN WEST VIRGINIA WE WERE FORTUNATE--OUR DECLINE IN ENROLLMENT WAS JUST UNDER 5%.

NATIONWIDE AND STATEWIDE DATA GIVE AN OVERALL VIEW, BUT A LOOK AT INDIVIDUAL SCHOOL DISTRICTS IS WHERE WE SEE THE REAL STORY.

LET ME SHARE THE STATISTICS FOR KANAWHA COUNTY, WEST VIRGINIA, AS ONE EXAMPLE:

- 1974 ENROLLMENT = 46,500
- 1983 ENROLLMENT = 35,000 (ABOUT 25% RED)
- 1992 (PROJECTED LOW) = 32,000 (ABOUT 31% RED)

THE ACTUAL NUMBER OF DOLLARS PROVIDED FOR SCHOOLS HAS NOT YET DECLINED AS DRAMATICALLY AS ENROLLMENT. PART OF THE REASON FOR THIS IS THAT FIGURES REPORTED ARE NOT TYPICALLY ADJUSTED FOR INFLATION, AND PART OF THE REASON IS THAT THERE IS TYPICALLY A LAG BETWEEN ENROLLMENT DECLINE AND RESOURCE DECLINE. FOR EXAMPLE, THE NATIONWIDE DATA ON ENROLLMENT SHOW A DECLINE BEGINNING IN THE 72-73 SCHOOL YEAR. YET U. S. EXPENDITURES FOR EDUCATION--AS MEASURED BY PERCENT OF GNP, A FAIRLY INFLATION-RESISTANT MEASURE--CONTINUED TO RISE UNTIL IT PEAKED IN 1975-76. BY 1979-80, U. S. EXPENDITURES FOR EDUCATION HAD ALREADY FALLEN, HOWEVER, FROM THE HIGH OF 8% OF THE GNP (IN 75-76) TO 6.9% OF THE GNP.

WHEN WE CONSIDER THE DRAMATIC IMPACT ON FUNDING FOR SCHOOLS PRECIPITATED BY THE "TAXPAYER REVOLT"--CALIFORNIA PROPOSITION 13 OR MASSACHUSETTS PROPOSITION 2 1/2, FOR EXAMPLE--IT BECOMES QUITE APPARENT THAT REVENUES FOR SUPPORT OF SCHOOLS ARE DECREASING PRECIPITOUSLY.

## A Case Approach to the Problem

The best way to get a feel for the twin problems of declining enrollment and declining revenue is to look at what happens in a school district's actual experience. Therefore, I'd like to share with you a brief summary of the Seattle, Washington, situation. I've chosen the Seattle case because of its comprehensive documentation. My summary is based upon a case report.

- Seattle is Washington state's largest city.
- Seattle is somewhat unique (aren't we all?) in that they have a larger than average population of well-educated, middle-class people.
- Seattle's peak school enrollment was achieved in 1962-63 with 99,000 elementary/secondary students in public schools.
- By 1971-72 the student enrollment had dropped to 80,000.
- By 1981-82 enrollment had dropped to 46,000--a reduction of 53,000 or about 53%.
- Over the 1965-1982 period, the racial mix in Seattle's schools changed quite dramatically, too:
  -1965: 85% nonminority/15% minority
  -1981: 60% nonminority/40% minority

With this background in mind, let me share a chronology of what happened in Seattle:

1974--Enrollment declines led School Board to ask Administration for school closing plan--funding not a problem.

-Plan called for closing seven (7) schools--adopted and closings announced.

-SCHOOL CLOSINGS WERE CHALLENGED BY NEIGHBORHOOD GROUPS; SHOWED FLAWS IN APPLICATION OF CRITERIA SAID TO BE USED FOR DECISION.

-CHALLENGE SUCCESSFUL--BOARD REVERSED DECISION--SCHOOLS REMAINED OPEN.

1975--SEATTLE VOTERS REJECTED EXCESS LEVY REQUEST; SCHOOLS LOST 40% OF OPERATING FUNDS.

-FACILITIES UTILIZATION STUDY COMMISSIONED BY BOARD.

1976--SCHOOL BOARD VOTED TO CLOSE 5 SCHOOLS.

-CLOSURE DECISION CHALLENGED.

-BOARD REVERSED DECISION--SCHOOLS REMAINED OPEN.

1977--FACILITIES UTILIZATION STUDY COMPLETED; RECOMMENDED:

- NEW STUDIES OF NEIGHBORHOOD IMPACT AND ALTERNATE USE
- NO IMMEDIATE SCHOOL CLOSINGS (TILL DESEGRETATION PLAN)

1978--CITY PARTISAN POLITICS BECOME INVOLVED--MAYORAL ELECTION.

-DISTRICT PLANNING COMMISSION (DPC) CREATED TO DEVELOP LONG-RANGE FACILITIES PLAN (OCTOBER).

1979--SCHOOL BOARD FINALLY SUCCEEDED IN CLOSING 5 SCHOOLS.

-CLOSINGS LED TO PROBLEMS OF INADEQUATE PROPERTY MANAGEMENT.

-(NOVEMBER) DPC REPORT COMPLETED (ONLY K-6 OPTION FOR ELEMENTARY SCHOOLS INCLUDED).

1980--(JANUARY) SCHOOL BOARD DELAYED ACTION ON DPC PLAN (REQUIRED K-5 ELEMENTARY SCHOOL OPTION BE CONSIDERED).

-(MARCH) SCHOOL BOARD AGAIN DELAYED ACTION ON DPC PLAN WITH K-5 OPTION (DESEGRETATION ISSUES CITED).

1981--(FEBRUARY) SCHOOL BOARD ADOPTED NEW LONG-RANGE FACILITIES PLAN

-1981-82 SCHOOL COSTS PROJECT $6 MILLION DEFICITS EVEN WITH PLAN IMPLEMENTED.

-PLAN CALLED FOR:

- CLOSING 14 OF CITY'S 112 SCHOOLS IN SUMMER '81
- CLOSING 4 ADDITIONAL SCHOOLS IN 1982

-(APRIL) PROPERTY MANAGER HIRED--SUCCESS AT LAST--BY '82, 11 "CLOSED" BUILDINGS WERE IN ALTERNATE USE--GENERATING REVENUE.

1981-82 SCHOOL YEAR--NOT ALL PROBLEMS HAD BEEN SOLVED. INADEQUATE PLANNING FOR TRANSFER STUDENTS/TEACHERS FROM CLOSED SCHOOLS MADE OPENING OF SCHOOL A FIASCO.

1983--REASONABLE SUCCESS FINALLY ACHIEVED AFTER ALMOST A DECADE.

- ALTERNATE USE OF CLOSED SCHOOLS GOING WELL.
- POLITICAL TRANQUILITY ACHIEVED--SCHOOL CLOSINGS RECEIVED PUBLIC ACCEPTANCE.

I HOPE I HAVEN'T BORED YOU WITH THIS "WAR STORY." I THINK THAT IT REPRESENTS ONE OF THE BEST WAYS OF GAINING SOME UNDERSTANDING OF HOW DIFFICULT IT IS TO DEAL WITH THE PROBLEMS OF DECLINING ENROLLMENT AND RESOURCES. AND AS YOU MULL OVER WHAT I'VE SHARED ABOUT THE SEATTLE STORY, I REMIND YOU THAT I DIDN'T EVEN MENTION THE INTERNAL SCHOOL MANAGEMENT PROBLEMS OF MASSIVE REDUCTIONS IN FORCE (RIF'S) OF SCHOOL PERSONNEL.

## Analysis of the Seattle Case

After a turbulent decade, Seattle's schools seem to be back on track. Maybe we should leave them there. But before we move on, I'd like to suggest just a little "Monday morning quarterbacking." Perhaps a retrospective look will help us see some of the mistakes made there--mistakes that might be averted elsewhere.

First, let's look at the timeliness of action. School enrollments actually began declining in 1963 and by 1971, enrollments were down by nearly 20%. Still no action was taken until 1974.

Second, let's look at how the decision to act was made. The Board requested that the Administration identify schools to be closed. Apparently, alternative courses of action were not explored. The criteria used involved only consideration of facility utilization and condition--no educational program or human factors were considered. And even the criteria used were apparently not systemtically applied. Even with more than 10 years' advance notice, no comprehensive plan had been attempted.

Third, let's look at the implementation of the Board's decision. Apparently, the community was not informed in advance of the need for cutbacks--the school closure decision was simply announced. No provision had been made for alternate utilization of the buildings to be closed.

Fourth, let's look at the result. Politicians, business people, and ordinary citizens reacted to refute the basis of the Board's decision and forced reversal of its action. The educational leaders were discredited for technical errors in planning as well as for the narrowness of their thinking. They lost the advantage of being considered the experts vis-a-vis school decisions.

FIFTH, EVEN AFTER THE ILL-FATED 1974 TRY AT SCHOOL CLOSURE AND A SHELLACKING ON THE 1975 EXCESS LEVY ATTEMPT, ESSENTIALLY THE SAME PROCESS WAS USED IN THE 1976 SCHOOL CLOSURE ATTEMPT. THE RESULTS WERE, OF COURSE, DISASTROUS.

FINALLY, AFTER (A) ENROLLMENTS HAD BEEN DECLINING FOR 15 YEARS, (B) TWO SCHOOL CLOSURE DECISIONS HAD BEEN REFUTED, AND (C) OPERATING FUNDS HAD BEEN REDUCED BY 40% DUE TO THE EXCESS LEVY LOSS, A DISTRICT PLANNING COMMISSION WAS ESTABLISHED (1978) TO DEVELOP COMPREHENSIVE PLANS FOR HANDLING THE DISTRICT'S PROBLEMS. EVEN THEN, 2 1/2 YEARS ELAPSED BEFORE A COMPREHENSIVE PLAN WAS ADOPTED--BY THIS TIME, MAJOR SURGERY WAS REQUIRED--18 SCHOOLS CLOSED IN TWO YEARS. STILL THE OPERATING BUDGET SHOWED A $6 MILLION DEFICIT.

YOUR NONVERBAL SIGNALS--DROOPING EYELIDS AND NODDING HEADS--TELL ME YOU ARE SICK OF SEATTLE. I THINK I EVEN HEARD SOMEONE MUTTER, "I NEVER EVEN THOUGHT OF GOING TO SEATTLE, LET ALONE SIT THROUGH A TRAVELOG OF ITS SEAMY SIDE."

## A CONTRAST: THE PROFESSIONAL ADVICE STRATEGY

OKAY! LET'S MOVE ON. AS A CONTRAST TO THE "SEATTLE STORY," LET'S TURN OUR ATENTION TO WHAT BOYD AND WHEATON--TWO EXPERTS ON SCHOOL RETRENCHMENT--DESCRIBE AS "THE PROFESSIONAL ADVICE STRATEGY" OR A "RATIONAL MODEL" FOR DEALING WITH THESE PROBLEMS. THIS MODEL HAS FOUR DECEPTIVELY SIMPLE INGREDIENTS:

1. DESIGN THE "BEST"--OR AT LEAST A DESIRABLE/DEFENSIBLE EDUCATIONAL SOLUTION--WHICH IS POLITICALLY VIABLE.
2. SECURE COMMUNITY AND STAFF UNDERSTANDING AND CONSENT (THROUGH INVOLVEMENT AND INFORMATION).

3. MAINTAIN LEGITIMACY OF THE EDUCATIONAL LEADERS' POLICY-MAKING PROCESS.
4. MOVE RAPIDLY ENOUGH TOWARD CLOSURE ON RETRENCHMENT DECISIONS/ACTIONS THAT THE TENDENCY FOR CONFLICT AND OPPOSITION TO INCREASE OVER TIME IS AVOIDED.

SOUNDS LOGICAL AND SIMPLE ENOUGH TO FOLLOW, DOESN'T IT? THE ONLY TROUBLE WITH THIS PROFESSIONAL ADVICE STRATEGY IS THAT IT DOESN'T WORK!

ALL RIGHT, YOU SAY, IF THIS RATIONAL MODEL DOESN'T WORK, WHY DID YOU BRING IT UP? MY RESPONSE HAS TO BE THAT WHAT I MEAN BY "DOESN'T WORK" IS THAT IT AIN'T ALL THAT EASY IN THE REAL WORLD. AS BOYD AND WHEATON SAY IN INTRODUCING THE RATIONAL MODEL, IT REQUIRES SCHOOL OFFICIALS TO "...SEEK A DELICATE BALANCE BETWEEN NOT ENTIRELY COMPATIBLE OBJECTIVES." TRANSLATED FROM RESEARCHEESE, WHAT THEY ARE SAYING IS, "IT'S GOOD THEORY, BUT ACHIEVING A PERFECT APPLICATION IN PRACTICE IS IMPOSSIBLE."

THE INABILITY TO APPLY PERFECTLY THE RATIONAL MODEL, NOTWITHSTANDING, IT IS THE BEST WE HAVE. AS STUDIES FROM SCHOOL DISTRICT AFTER SCHOOL DISTRICT ARE REPORTED, THOSE WHICH SUCCEED BEST IN DEALING WITH ENROLLMENT DECLINE AND FISCAL RETRENCHMENT HAVE USED THIS MODEL--OR A NEAR VARIANT--TO GUIDE THEIR DECISIONS AND ACTIONS. WHILE THE RATIONAL MODEL MAY NOT BE COMPLETELY APPLICABLE, IT'S THE BEST ADVICE IN TOWN IF YOUR GAME IS DEALING WITH RETRENCHMENT IN SCHOOLS.

## BERGER'S TYPOLOGIES: SUBSTANTIVE ISSUES AND PROCESS ISSUES

IMPLEMENTING THE RATIONAL MODEL IS TOUGH WORK. BUT AS MORE AND MORE EVIDENCE IS GAINED, RESEARCHERS ARE DEVELOPING MORE USEFUL TOOLS

TO HELP SCHOOL PERSONNEL DEAL MORE SYSTEMATICALLY AND SUCCESSFULLY WITH THE COMPLEXITIES OF MANAGING DECLINE. ONE SUCH DEVELOPMENT IS A PAIR OF TWO-BY-TWO MATRICES DEVELOPED BY MICHAEL BERGER OF PEABODY COLLEGE. BERGER FIRST SEPARATES SCHOOL RETRENCHMENT ISSUES INTO TWO TYPES: SUBSTANTIVE AND PROCESS. HE THEN CONSTRUCTS A TWO-BY-TWO MATRIX FOR EACH TYPE OF ISSUE.

LET'S LOOK AT BERGER'S SUBSTANTIVE ISSUE MATRIX FIRST. ON ONE AXIS HE IDENTIFIES TWO TYPES OF CONSEQUENCES: EQUITY AND EFFICIENCY.

EFFICIENCY IS DEFINED AS TAKING HIGHLY TARGETED ACTIONS--DISMISSING EMPLOYEES, TERMINATING PROGRAMS, OR CLOSING SCHOOLS--TO ENSURE THE ORGANIZATION'S LONG-TERM VIABILITY.

EQUITY IS DEFINED AS DISTRIBUTING EQUALLY ACROSS THE BOARD ANY REQUIRED REDUCTIONS IRRESPECTIVE OF THEIR SHORT-/LONG-TERM IMPACT ON ORGANIZATIONAL VIABILITY.

ON THE OTHER AXIS OF THE SUBSTANTIVE MATRIX, BERGER POSITS TWO TYPES OF POLICY: REVENUE GENERATING AND COST CUTTING. HE, THUS, CREATES A TYPOLOGY OF SUBSTANTIVE ISSUES CONTAINING FOUR CELLS. IN EACH CELL, HE IDENTIFIES THE GENERAL ACTION STRATEGIES THAT ARE AVAILABLE FOR SELECTION:

EQUITY/REVENUE-GENERATING CELL INCLUDES:

- SHORT-TERM LOANS
- LOBBY STATE--CHANGE FUNDING FORMULA
- INITIATE REFERENDUM
- CREATE FOUNDATION--RECEIVE GIFTS

EQUITY/COST-CUTTING CELL INCLUDES:

- RENT/LEASE PARTS OF BUILDINGS
- FREEZE HIRING (ATTRITION)
- ENCOURAGE EARLY RETIREMENT
- PAY CUTS--ACROSS THE BOARD
- DEFER MAINTENANCE

EFFICIENCY/REVENUE-GENERATING CELL INCLUDES:

- FREEZE/SLOW SALARY INCREASES
- SERVE NEW CLIENTS
- SELL/RENT VACATED BUILDINGS

EFFICIENCY/COST-CUTTING CELL INCLUDES:

- RIF PERSONNEL (SENIORITY/PERFORMANCE)
- SELECTIVE PROGRAM CUTS
- CLOSE SCHOOL BUILDINGS
- REORGANIZE GRADE LEVELS

BERGER'S PROCESS ISSUES MATRIX IS SIMILAR TO THE SUBSTANTIVE ISSUES ONE. ITS DIMENSIONS ARE AGAIN...ON ONE AXIS: EQUITY AND EFFICIENCY. ITS SECOND AXIS IDENTIFIES TWO TYPES OF POLICIES: TECHNICAL AND POLITICAL. THE FOUR CELLS OF THIS PROCESS ISSUES TYPOLOGY ARE THEREFORE:

EQUITY/TECHNICAL CELL INCLUDES:

- COHORT SURVIVAL ANALYSES (PREDICT ATTRITION)
- ENROLLMENT PROJECTIONS (PREDICT ENROLLMENT)
- PERSONNEL/FACILITIES ANALYSIS

EQUITY/POLITICAL CELL INCLUDES:

- COMMUNITY/SCHOOL TASK FORCES
- INFORM COMMUNITY OF PROBLEM--DELAY ACTION TO CLOSE
- EDUCATE COMMUINITY ABOUT SCHOOL PROGRAMS/PROBLEMS

EFFICIENCY/TECHNICAL CELL INCLUDES:

- ZERO-BASED BUDGETING/PPBS
- PROGRAM PERFORMANCE EVALUATION
- PERSONNEL PERFORMANCE EVALUATION
- COMPREHENSIVE LONG-RANGE PLAN

EFFICIENCY/POLITICAL CELL INCLUDES:

- CHANGE SCHOOL LEADERSHIP
- EXPERT CONSULTANTS
- INVOLVE COMMUNITY
- INVOLVE SCHOOL PERSONNEL (FACULTY/KIDS)

THE SIMPLICITY OF BERGER'S TWIN TYPOLOGIES IS DECEPTIVE. FOR IN THEIR EIGHT CELLS, THESE MATRICES CATCH UP THE FULL RANGE OF DECISIONS AND ACTIONS INVOLVED IN GUIDING A SCHOOL DISTRICT THROUGH THE RATIONAL PROCESS OF DEALING WITH DECLINING ENROLLMENT AND FISCAL RETRENCHMENT.

## ORGANIZATIONAL CONSEQUENCES: EQUITY VS. EFFICIENCY

USING THE BASIC CONCEPTS EMBODIED IN THESE TYPOLOGIES, BERGER PERFORMED A POST FACTO ANALYSIS ON CASE STUDIES FROM 70 SCHOOL DISTRICTS INVOLVED IN RETRENCHMENT. HIS PURPOSE WAS TO LEARN WHAT THE ORGANIZATIONAL CONSEQUENCES WERE IF EQUITY WAS EMPHASIZED OVER EFFICIENCY AND VICE VERSA. HIS FINDINGS, WHILE CERTAINLY NOT CONCLUSIVE, TEND TO SHOW THAT DECISIONS AND ACTIONS WHICH OPTIMIZE EFFICIENCY PRODUCE MORE POSITIVE LONG-TERM ORGANIZATIONAL CONSEQUENCES. THEREFORE, EDUCATIONAL LEADERS WHO WANT TO "HEDGE THEIR BETS" TOWARD WHAT HAS WORKED BEST FOR OTHERS CAN USE BERGER'S TYPOLOGIES TO EVALUATE THEIR PROPOSED DECISIONS AND ACTIONS TO SEE THAT THE BALANCE LEANS TOWARD EFFICIENCY.

## Problems May Present Opportunities

So far, it seems, everything I have said speaks to greater problems for school leaders, and this perspective is well-supported in the literature. However, Robert Behm suggests that problems of retrenchment seem to stimulate educational leaders to one of two kinds of behavior:

Type #1: Hunker Down--If the only managerial response is to hunker down, then the result is apt to be even poorer performance of the schools.

Type #2: Aggressive Effort--If the organizational dislocations of retrenchment are used to seek better ways of doing things, real school improvement is possible.

After positing these divergent types of leadership, Behm outlines five actions that aggressive leaders might take:

- Rethink organizational strategy: Analyze the schools' purposes, programs, and resources.
  - -In growth, lack of strategy produces only less than optimal peformance.
  - -In retrenchment, lack of strategy damages the worthwhile as well as the not worthwhile (community will rebel).
- Rethink the meaning and measures of performance: Learn who/what produces desired results vis-a-vis purpose.
- Increase managerial flexibility: Seek reduction in policy/statuatory constraints placed on managers.
- Rethink the meaning of equity: For whom do schools exist/equity is optimizing the benefits they receive.
- Develop new managerial styles: If participative management produces acceptance of change, adopt it.

DEPENDING ON YOUR PERSPECTIVE--POSSIBLY HOW YOU EARN YOUR LIVING--YOU MAY OR MAY NOT LIKE BEHM'S SUGGESTIONS. IT IS CLEAR, HOWEVER, THAT DEALING POSITIVELY WITH RETRENCHMENT REQUIRES LEADERS TO TAKE AGGRESSIVE ACTION. IT IS ALSO CLEAR THAT PRODUCING QUALITY EDUCATION AT A REASONABLE PRICE IS ALMOST CERTAIN TO CAUSE PAIN FOR SOME PEOPLE. BUT THE OPTION IS TO "HUNKER DOWN" AND LET ALL ASPECTS OF SCHOOL PERFORMANCE DECLINE. THE TAXPAYING PUBLIC WON'T BUY THAT OPTION.

## COMMUNITIES DIFFER; SO DO STRATEGIES

BOYD AND WHEATON HAVE CONDUCTED LONGITUDINAL STUDIES (1964-1981) OF 15 SCHOOL DISTRICTS UNDERGOING RETRENCHMENT. YOU MAY RECALL THAT IT WAS THEIR DESCRIPTION OF THE RATIONAL MODEL I OUTLINED A BIT AGO. THEIR CONCLUSIONS ARE:

- USE OF THE RATIONAL MODEL WILL NOT MINIMIZE CONFLICT, BUT IT WILL PRODUCE "BETTER" RETRENCHMENT DECISIONS/ACTIONS, AND
- "WHITE-COLLAR" SCHOOL COMMUNITIES RESPOND DIFFERENTLY TO RETRENCHMENT THAN DO "BLUE-COLLAR" COMMUNITIES.

THE RATIONAL APPROACH DOES NOT ELIMINATE CONFLICT IN COMMUNITIES, BUT IT DOES PROVIDE THE ONLY KNOWN VEHICLE FOR CHANNELING "WHITE-COLLAR" COMMUNITY ENERGIES TOWARD PRODUCTIVE DECISIONS AND ACTIONS. FOR EXAMPLE, THINK OF THE DIFFERENCE IN OUTCOMES SEATTLE ACHIEVED (A) BEFORE THEY INVOKED COMPREHENSIVE PLANNING (1974-78) AND (B) AFTER THE DISTRICT PLANNING COMMISSION WAS INSTITUTED (1979-81).

BOYD AND WHEATON ARGUE THAT THE RATIONAL PLANNING MODEL ALSO PRODUCES THE BEST RESULTS IN "BLUE-COLLAR" COMMUNITIES. HOWEVER, IN "BLUE-COLLAR" COMMUNITIES, TURN-OF-THE-CENTURY REFORMS TO REMOVE

PARTISAN POLITICS FROM EDUCATION DIDN'T TAKE. CRITICAL DECISIONS ABOUT SCHOOLS IN THESE COMMUNITIES HAVE CONTINUED TO BE MADE BY A PROCESS BEST CHARACTERIZED AS POLITICAL BARGAINING. THEREFORE, IN "BLUE-COLLAR" COMMUNITIES, THE FINAL DECISIONS ON WHAT REFORMS WILL BE ADOPTED IN RETRENCHMENT ARE TYPICALLY MADE THROUGH THE PARTISAN POLITICAL PROCESSES. EVEN UNDER THESE CIRCUMSTANCES, THE RATIONAL MODEL IMPROVES DECISIONS BECAUSE IT PROVIDES EDUCATIONALLY SOUND OPTIONS THAT BECOME THE OBJECTS FOR POLITICAL BARGAINING.

## CONCLUSION

IN PRESENTING THESE THOUGHTS ON WHAT WE KNOW ABOUT ADMINISTERING DECLINING ENROLLMENT AND FISCAL RETRENCHMENT IN SCHOOLS, I HAVE TRIED TO SHOW HOW THE SYSTEMATIC ACCUMULATION OF INFORMATION CAN BE OF PRACTICAL UTILITY. IT IS IMPOSSIBLE, OF COURSE, IN ANY SINGLE PRESENTATION TO PROVIDE AN EXHAUSTIVE REVIEW OF WHAT WE KNOW. I HOPE, HOWEVER, THAT I HAVE SHARED AT LEAST ENOUGH OF THE LITERATURE'S FLAVOR THAT YOU WILL BE ENCOURAGED TO EXPLORE IT FURTHER. THEREFORE, MY CONCLUDING ACTION WILL BE THAT OF RECOMMENDING TWO BASIC RESOURCES:

(1) ROSS ZERCHYKOV, A REVIEW OF THE LITERATURE AND AN ANNOTATED BIBLIOGRAPHY ON MANAGING DECLINE IN SCHOOL SYSTEMS, INSTITUTE FOR RESPONSIVE EDUCATION, BOSTON UNIVERSITY, 1982.

(2) PEABODY JOURNAL OF EDUCATION, VOLUME 60, NUMBER 2, WINTER 1983.

THESE TWO VOLUMES ARE INTERESTING IN THEMSELVES, AND THEY WILL LEAD YOU TO ALMOST ALL OF THE USEFUL LITERATURE ON THE TOPIC.